

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

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In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> , Debtors. ¹	PROMESA Title III Case No. 17 BK 3283-LTS (Jointly Administered)
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**STATEMENT OF INTERNATIONAL UNION, UAW
AND SERVICE EMPLOYEES INTERNATIONAL UNION
REGARDING PROPOSED CONFIRMATION ORDER**

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) (“UAW”) and Service Employees International Union (“SEIU”) submit this statement regarding the November 28, 2021 proposed *Order and Judgment Confirming Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et. al.* (“Confirmation Order”) [Docket Entry #19,368, at Exhibit A] filed by the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”).²

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² SEIU is a member of the Official Committee of Unsecured Creditors (“Committee”). SEIU submits this statement in its individual capacity and not in its capacity as a Committee member, nor in any way on behalf of the Committee.

1. UAW and SEIU are labor unions whose memberships include thousands of employees of the Commonwealth of Puerto Rico (“Commonwealth”) or its instrumentalities.³

2. In the November 23, 2021 *Statement of SEIU and UAW Regarding Previously Filed Objections to Plan of Adjustment and Proposed Confirmation Order* (“Statement”) [Docket Entry #19,349], we addressed, among other things, paragraph 44 of the Confirmation Order. Subsection (e) of that paragraph, which the Oversight Board first added in the November 21, 2021 version of the Confirmation Order, excluded from the administrative claims process and bar date claims relating to “actions occurring from and after the respective Debtor’s petition date.” Docket Entry #19,325, at Exhibit B, at ¶44. We explained in the Statement that it was our understanding that subsection (e) excluded post-petition employment-related actions commenced by SEIU and/or UAW, arising either under their collective bargaining agreements or applicable Puerto Rico statutes, from the administrative expense claim process and bar date, and that claims with respect to such actions “arising from or relating to post-petition conduct of a Title III debtor will be processed and paid in the ordinary course...” Based on that understanding, SEIU and UAW stated that the language of paragraph 44(e) was an acceptable resolution to their previously filed objections to the treatment of their post-petition claims in the prior iterations of the Confirmation Order. *See* Statement at 2-3.⁴

³ UAW has over 400,000 active members in North America. The approximately 5,000 UAW members employed by the Commonwealth or its instrumentalities belong to eight local UAW chapters. The two largest are UAW Local 2396, which represents school cafeteria workers, and UAW Local 2373, which represents employees of the Commonwealth’s Treasury Department. SEIU represents approximately two million service workers throughout North America. SEIU members employed by the Commonwealth belong to one of two SEIU local chapters: SEIU Local 1996/Sindicato Puertoriqueno de Trabajadores y Trabajadoras and SEIU Local 1199/Union General de Trabajadores. Approximately 18,000 SEIU members are employed by the Commonwealth or its instrumentalities.

⁴ As noted in our prior filings concerning the administrative bar date, Commonwealth agencies resolve and liquidate union collective bargaining agreement and statutory claims at a glacial rate. Given this, most post-petition union claims will remain unresolved by an administrative bar date that is 90 days after the plan of adjustment takes effect. If that bar date were to apply to union post-petition claims, union compliance with the proposed administrative bar date would be impossible.

3. On November 28, 2021, after we filed the Statement, the Oversight Board amended subsection (e). This most recent version of subsection (e) limits the subsection to claims relating to actions that occur “in the ordinary course” during the period from the debtor’s petition date until the effective date of the plan of adjustment. Docket Entry #19,368, at Exhibit B, at ¶44.

4. It is our understanding that, subject to the limitations added on November 28, subsection (e) still applies to the post-petition matters referenced in paragraph 2 above and, accordingly, that such matters are not subject to the administrative claims process or bar date set out in paragraph 44, but will instead continue to be processed and paid in the ordinary course. Based on that understanding, and if it is consistent with the Oversight Board’s intention as to paragraph 44(e) of the proposed Confirmation Order, then UAW’s and SEIU’s objection to paragraph 44 as modified should continue to be deemed resolved.

December 1, 2021

COHEN, WEISS AND SIMON LLP

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of December 2021, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF System, which will notify all counsel of record.

/s/ *Peter D. DeChiara*

Peter D. DeChiara